

Columbus Downtown Inc.  
Independent Audit  
Performed by: Crowe Horwath

**SUMMARY OF AUDIT REPORT:**

The Crowe Horwath auditors encountered difficulty during their examination of Columbus Downtown Inc. when attempting to locate required information, obtain audit evidence, and find expected information, some of which was eventually determined to be unavailable.

Several Columbus Downtown Inc. financial transactions required corrections and some transactions were never recorded. Crowe Horwath offered several journal entries to correct and/or record financial transactions to properly generate financial statements for the period March 14, 2008 (CDI officially formed) through December 31, 2011.

Several internal control issues were noted during the course of the audit. These included failure to record donated land and other property, failure to record depreciation expense, failure to record property tax liability, and failure to accrue financial transactions that required accrual. The auditors also had difficulty locating information documenting the fair market value of donated properties and also had issues locating documents to substantiate any donor restrictions on those donated properties.

Bank reconciliations were not always documented, and bank statements were not located in a central location. Some invoices to support financial transactions were never located during the course of the audit. The auditors also noted that some Columbus Downtown Inc. checks requiring two signatures only had one signature and some cash receipts were not clearly documented as to origin or purpose.

The auditors noted that board decisions were very poorly documented. Columbus Downtown Inc. also did not provide written periodic reports on the use of Columbus Redevelopment Commission (CRC) grant funds as required by grant agreements.

Columbus Downtown Inc. did not complete a form E-1 and remit to the state board of accounts outlining grant contributions as required by Indiana Code (IC) 5-11-1-4.

CDI never developed accounting policies and procedures. And information was lacking for assets as to placed-in-service dates and useful lives. Crowe Horwath also noted that segregation of duties was lacking for most financial transactions.

The auditors gave a strong recommendation that CDI should better document business transactions as well as board actions and decisions. However, Crowe Horwath did note that the 2012 CDI management team was exceptionally helpful during the course of the audit and assisted extensively in locating documents and information requested in order to complete the multi-year audit.